



IT IS ORDERED

Date Entered on Docket: June 13, 2017

The Honorable Robert H Jacobvitz
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

In re: Sandia Tobacco Manufacturers, Inc.
a New Mexico corporation,
EIN: 71-0951557,

Debtor.

No. 16-12335-j11

**ORDER APPROVING SALE OF PROPERTY FREE AND
CLEAR OF INTERESTS PURSUANT TO 11 U.S.C. § 363(f)**

THIS MATTER came before the Court for hearing on June 7, 2017 on Debtor's Motion Pursuant to 11 U.S.C. § 363(f) to Sell Property Free and Clear of Interests (the "Motion"). Doc. 148. At the hearing, Debtor was represented by William F. Davis & Assoc., P.C. (William F. Davis and Nephi D. Hardman, Esqs.), Donald Packingham was represented by Richard R. Marquez, Esq., Susan Jesmer was represented by Miller Stratvert, P.A. (Dylan O'Reilly, Esq.), and the United States Trustee's Office was represented by Leonard K. Martinez-Metzgar, Esq. The Court, being sufficiently advised in the premises, finds as follows:

1. This Court has jurisdiction over the parties and subject matter relating to the Motion. This is a core proceeding. Venue of this proceeding is proper before this Court.
2. In approximately 2003, Debtor acquired the following three pieces of equipment that

were used in conjunction with its other cigarette manufacturing machines:

- Sasib 3-279-3000 99mm, cp1 cello wrapper, Sasib 3-c154 cartoner
- (another) Sasib 3-279-3000 99mm, cp1 cello wrapper, Sasib 3-c154 cartoner
- LTL CR120 Cigarette Reclaim Machine

(collectively, the “Equipment”).

3. In 2016, Debtor altered its business operations, such that it no longer uses the Equipment.

4. Debtor filed its voluntary chapter 11 petition in this matter on September 19, 2016 and continues as a debtor in possession.

5. On or around May 9, 2017, Debtor and Providence Services, LLC (“Providence”) entered into a Purchase Agreement, subject to this Court’s approval, under which Providence would purchase the Equipment from Debtor for \$27,500.

6. Debtor filed the Motion on May 11, 2017, seeking permission to sell the Equipment free and clear of interests under 11 U.S.C. § 363(f). Doc. 148.

7. On May 12, 2017, Debtor filed and served a notice of deadline to object to the Motion (the “Notice”).

8. The Notice was sufficient in form and content.

9. On June 6, 2017, Donald Packingham filed an objection to the Motion (the “Packingham Objection”). Doc. 171.

10. Besides the Packingham Objection, no objections to the Motion were filed with the Court or received by the Debtor, timely or otherwise. The time period to object to the Motion has now passed.

11. While it is appropriate to allow the Equipment to be sold free and clear of liens and interests, the Court reserves the matter of to whom the sale proceeds should be distributed and in what amounts.

12. The proposed sale of the Equipment to Providence is in good faith, within the meaning of

11 U.S.C. § 363(m), and is consistent with Debtor's sound business judgment. The proposed sale price of \$27,500 for the Equipment is reasonable.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED as follows:

A. Debtor is hereby authorized to sell the Equipment to Providence for \$27,500, and to execute a bill of sale or any other such document as needed to convey the Equipment to Providence;

B. Providence shall take title to the Equipment free and clear of all liens and interests;

C. Debtor shall deposit all of the sale proceeds from the sale of the Equipment into the Bankruptcy Court Registry, and the Bankruptcy Court Registry is hereby authorized to receive such funds;

D. Any interest that any party had in the Equipment prior to Debtor's conveyance thereof to Providence shall transfer to the sale proceeds of the Equipment, with the same validity, in the same order of priority, and subject to the same defenses, of such party's asserted interest in the Equipment; and

E. The matters of which parties are entitled to the ultimate distribution of the sale proceeds of the Equipment, and in what amounts, shall be decided at a subsequent hearing, which shall be separately noticed by the Court.

###END OF ORDER###

Submitted by:

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